



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

COMMINGLING ORDER PLC-207-A

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227

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98B-ARTESIA

Attention: Mr. Dean Chumbley:

Marbob Energy Corporation is hereby authorized to surface commingle production from the following leases and pools - all located within Eddy County, New Mexico:

POOLS:

Red Lake Queen-Grayburg-San Andres (Oil - 51300), and
Northeast Red Lake Glorieta-Yeso (Oil - 96836)

LEASES:

SB State Lease (Lease No. B-7244)
SW/4 NW/4, Section 2, Township 18 South, Range 27 East, NMPM

TDF State Lease (Lease No. B-7244)
SE/4 NW/4, Section 2, Township 18 South, Range 27 East, NMPM

MJ State Lease (Lease No. E-5461)
NW/4 NW/4, Section 2, Township 18 South, Range 27 East, NMPM

BM State Lease (Lease No. B-8814)
NE/4 SW/4, Section 2, Township 18 South, Range 27 East, NMPM

WELLS:

SB State Well No. 1 (API No. 30-015-32218) Unit E
TDF State No. 1 (API No. 30-015-32231) Unit F
TDF State No. 2 (API No. 30-015-32900) Unit F
MJ State No. 1 (API No. 30-015-32071) Lot 4, Unit D
MJ State No. 2 (API No. 30-015-32179) Lot 4, Unit D
BM State No. 1 (API No. 30-015-32899) Unit K

Each of these leases shall have separate measurement of water and separate, continuous measurement of oil prior to commingling. Allocation meters shall be regularly calibrated for

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accuracy. All liquids production shall be commingled into the existing MJ State Tank Battery located in the NW/4 NW/4, Section 2, Township 18 South, Range 27 East, NMPM. Gas shall not be commingled.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Artesia District office prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 29th day of March, 2004.



David Catanach
Engineer/Examiner

DRC

cc: Oil Conservation Division - Artesia
State Land Office – Santa Fe